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JAN 1, 2007

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$16.14 /CWT
\$1.38 /LB

EFFECTIVE FEBRUARY 1, 2007:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.14 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 13.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.38.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.05 /CWT

Average spray process dry milk solids

price per pound = \$1.30375
Multiplied by 8.2 x 8.2

\$10.69080

Last quote of the month for Grade AA butter
minus a differential of \$.0895 =

Multiplied by 4.2 x 4.2

\$4.66410

LESS a make allowance of 8.5% (\$15.3549 X .085)

Rounded to the nearest whole cent = \$14.05 /hundredweight.

STATE DOCUMENTS COLLECTION

\$10.69080

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HELENA, MONTANA 59620

\$4.66410
+ \$15.35490
- \$1.30517
\$14.04973

**CLASS II BUTTERFAT PRICE PER POUND****\$1.23 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$1.11050 X .111) = \$0.12327
 Rounded to the nearest half cent = \$0.123

Butterfat value per pound
 for milk at 3.5% test: \$1.23

Hundredweight price of milk testing 3.5% = \$14.05
 LESS 3.5 pounds of butterfat at \$1.23 per pound - \$4.305
 Value of 96.5 pounds of skim = \$9.745

**CLASS II VALUE OF
 ONE POUND OF SKIM** 9.745 / 96.5 pounds) = **\$0.10098 /LB**

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$12.06 /CWT**

3.5 pounds of butterfat x \$1.00 per pound = \$3.500
 96.5 pounds of skim x \$0.08873 per pound = \$8.563
\$12.063 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.00 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$1.11050
 LESS 10% - \$0.11105
\$0.99945

Rounded to the nearest whole cent = \$1.00 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$8.87332 /CWT**

Avg. spray process dry milk solid price/lb = \$1.30375
 Multiplied by 8.2 x 8.2
\$10.69075
 LESS 17% - \$1.81743
\$8.87332

Rounded to the nearest whole cent = \$8.87 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAUCompiled by: *Monte Nick*

Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.14 FOR 3.5% MILK 96.5 LBS = \$11.310				CLASS II SKIM PRICE BASED ON \$14.05 FOR 3.5% MILK 96.5 LBS = \$9.745				CLASS III SKIM PRICE BASED ON \$12.06 FOR 3.5% MILK 96.5 LBS = \$8.563			
Blend Prices				Blend Prices				Blend Prices			
Quota	Excess			Quota	Excess			Quota	Excess		
Jul-96	\$ 15.42	\$	11.48	Jan-00	\$ 11.39	\$	8.14	Jul-03	\$ 11.23	\$	10.00
Aug-96	\$ 16.52	\$	13.19	Feb-00	\$ 12.33	\$	7.98	Aug-03	\$ 11.65	\$	12.40
Sep-96	\$ 16.14	\$	13.37	Mar-00	\$ 12.15	\$	8.05	Sep-03	\$ 12.58	\$	12.67
Oct-96	\$ 16.33	\$	12.47	Apr-00	\$ 12.18	\$	8.03	Oct-03	\$ 14.50	\$	14.08
Nov-96	\$ 17.19	\$	10.54	May-00	\$ 12.35	\$	7.79	Nov-03	\$ 14.09	\$	12.38
Dec-96	\$ 15.41	\$	8.09	Jun-00	\$ 12.47	\$	7.83	Dec-03	\$ 14.60	\$	11.22
Jan-97	\$ 13.25	\$	11.85	Jul-00	\$ 13.11	\$	9.21	Jan-04	\$ 14.15	\$	10.59
Feb-97	\$ 13.01	\$	9.83	Aug-00	\$ 13.51	\$	8.04	Feb-04	\$ 12.75	\$	11.64
Mar-97	\$ 13.35	\$	9.95	Sep-00	\$ 13.38	\$	9.53	Mar-04	\$ 13.15	\$	12.48
Apr-97	\$ 13.84	\$	9.88	Oct-00	\$ 13.49	\$	8.14	Apr-04	\$ 14.23	\$	13.94
May-97	\$ 13.79	\$	8.11	Nov-00	\$ 13.40	\$	10.31	May-04	\$ 14.45	\$	13.95
Jun-97	\$ 12.37	\$	8.09	Dec-00	\$ 12.82	\$	9.29	Jun-04	\$ 18.35	\$	12.97
Jul-97	\$ 12.34	\$	8.14	Jan-01	\$ 14.01	\$	10.23	Jul-04	\$ 19.04	\$	10.58
Aug-97	\$ 12.41	\$	9.59	Feb-01	\$ 13.47	\$	9.91	Aug-04	\$ 17.27	\$	11.19
Sep-97	\$ 12.80	\$	10.38	Mar-01	\$ 12.84	\$	10.47	Sep-04	\$ 14.63	\$	11.29
Oct-97	\$ 13.76	\$	10.50	Apr-01	\$ 14.10	\$	11.76	Oct-04	\$ 14.24	\$	11.17
Nov-97	\$ 14.05	\$	11.22	May-01	\$ 14.68	\$	12.62	Nov-04	\$ 15.26	\$	11.49
Dec-97	\$ 14.22	\$	10.43	Jun-01	\$ 15.78	\$	13.09	Dec-04	\$ 13.86	\$	10.66
Jan-98	\$ 14.16	\$	10.10	Jul-01	\$ 15.48	\$	13.36	Jan-05	\$ 15.51	\$	13.80
Feb-98	\$ 14.38	\$	10.11	Aug-01	\$ 16.52	\$	13.92	Feb-05	\$ 15.67	\$	10.61
Mar-98	\$ 14.50	\$	9.65	Sep-01	\$ 15.74	\$	14.58	Mar-05	\$ 14.32	\$	11.99
Apr-98	\$ 14.50	\$	9.65	Oct-01	\$ 16.74	\$	13.29	Apr-05	\$ 15.03	\$	12.43
May-98	\$ 13.72	\$	8.71	Nov-01	\$ 15.40	\$	12.22	May-05	\$ 14.74	\$	12.74
Jun-98	\$ 13.37	\$	10.65	Dec-01	\$ 14.90	\$	10.38	Jun-05	\$ 14.57	\$	11.81
Jul-98	\$ 12.91	\$	12.54	Jan-02	\$ 12.99	\$	10.60	Jul-05	\$ 14.09	\$	12.30
Aug-98	\$ 14.53	\$	13.06	Feb-02	\$ 12.90	\$	10.78	Aug-05	\$ 15.16	\$	13.33
Sep-98	\$ 16.03	\$	13.37	Mar-02	\$ 12.77	\$	10.50	Sep-05	\$ 15.47	\$	12.66
Oct-98	\$ 16.12	\$	14.72	Apr-02	\$ 12.72	\$	10.20	Oct-05	\$ 14.76	\$	13.77
Nov-98	\$ 16.34	\$	15.91	May-02	\$ 12.55	\$	10.84	Nov-05	\$ 14.97	\$	13.21
Dec-98	\$ 17.17	\$	15.55	Jun-02	\$ 11.51	\$	8.79	Dec-05	\$ 14.96	\$	12.29
Jan-99	\$ 16.94	\$	10.92	Jul-02	\$ 12.30	\$	9.46	Jan-06	\$ 14.15	\$	12.46
Feb-99	\$ 17.54	\$	9.92	Aug-02	\$ 11.82	\$	10.15	Feb-06	\$ 14.08	\$	12.58
Mar-99	\$ 16.75	\$	9.63	Sep-02	\$ 11.86	\$	10.36	Mar-06	\$ 14.05	\$	12.55
Apr-99	\$ 11.95	\$	10.31	Oct-02	\$ 11.68	\$	10.11	Apr-06	\$ 12.71	\$	11.21
May-99	Missing May			Nov-02	\$ 11.60	\$	10.66	May-06	\$ 12.44	\$	10.94
Jun-99	\$ 12.86	\$	9.51	Dec-02	\$ 12.04	\$	10.61	Jun-06	\$ 11.98	\$	10.48
Jul-99	\$ 12.85	\$	11.66	Jan-03	\$ 12.85	\$	10.61	Jul-06	\$ 11.44	\$	9.94
Aug-99	\$ 13.25	\$	13.11	Feb-03	\$ 11.08	\$	9.52	Aug-06	\$ 12.24	\$	10.74
Sep-99	\$ 14.79	\$	12.26	Mar-03	\$ 11.31	\$	9.65	Sep-06	\$ 12.44	\$	10.94
Oct-99	\$ 16.32	\$	10.20	Apr-03	\$ 11.10	\$	10.06	Oct-06	\$ 12.57	\$	11.07
Nov-99	\$ 17.00	\$	8.10	May-03	\$ 11.17	\$	9.80	Nov-06	\$ 13.73	\$	12.23
Dec-99	\$ 12.68	\$	8.18	Jun-03	\$ 10.99	\$	9.49	Dec-06			

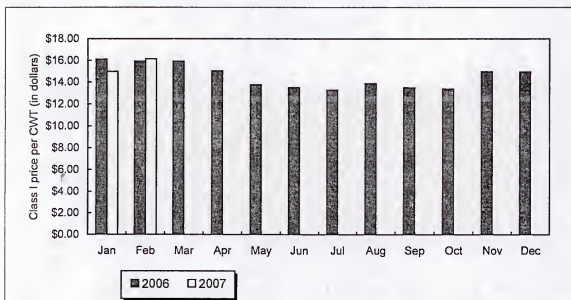
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2006 and 2007

Statistics from the Montana Milk Control Bureau

Month	2006	2007	Difference	% Change
January	\$16.12	\$14.98	(\$1.14)	-7.07%
February	\$15.93	\$16.14	\$0.21	1.32%
March	\$15.93			
April	\$15.04			
May	\$13.77			
June	\$13.52			
July	\$13.30			
August	\$13.89			
September	\$13.52			
October	\$13.40			
November	\$14.97			
December	<u>\$14.95</u>			
Average	\$14.53	\$15.56	(\$0.47)	-2.88%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

NOVEMBER 2006: class I = \$9.48; class II = \$0.86; Class III = \$3.34; total = \$13.68

(calculations based upon utilization percentages of butterfat & skim)